Saskatchewan Milk Control Board

Update

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Chairman's Message – Leonard Blocka

With spring seeding activities well underway in the province we are entering a very busy season on the farm. We are also quickly approaching the dairy year end, and with the province currently at 98.6 % for the first nine months of the dairy year, it is very important that producers keep production strong to ensure that the province meets it national production commitments for the dairy year.

In mid-April, the Board sent producers a notice advising of a quota increase. In that notice, producers were also advised that the Canadian Milk Supply Management Committee (CMSMC) would be meeting to discuss the status of the National Temporary Growth Allowance which was allocated to producers on August 1, 2007. At the April meeting, the CMSMC reduced the growth allowance from 1.5 % to 0.5 % effective May 1, 2008. After careful consideration at its April 30th meeting, the Board has decided that this growth allowance reduction will not be passed down to the producer level.

I would like to encourage all producers to review your current individual production situation to determine whether swapping will be necessary to meet year-end production requirements. If you have any questions regarding swapping, please contact the Board office.

The Board appreciated the strong turnout at the producer meetings held across the province last month. Producers provided the Board with excellent feedback on a number of issues and those discussions will be carefully considered as we move forward into the new dairy year.

Discussions on a harmonized fluid milk pricing mechanism for the Western Milk Pool have continued this spring and the Board is hopeful that a harmonized mechanism will be implemented this calendar year. The Western boards will continue to pursue a harmonized fluid milk price which will begin with Alberta Milk applying for fluid milk pricing authority in Alberta.

Discussions at the national level with the "Montebello Group", in partnership with Dairy Farmers of Saskatchewan, will continue this spring and summer in an effort to bring provincial policies closer together.

The Board and Dairy Farmers of Saskatchewan met with the Minister of Agriculture, Bob Bjornerud and the Deputy Minister of Agriculture, Alanna Koch, in late April mainly to discuss industry concerns with a Bill which was introduced in the Legislative Assembly proposing amendments to *The Milk Control Act, 1992*. Bill 31, while making a large number of changes to other provincial acts, would provide the Minister of Agriculture with the ability to suspend any or all powers of the Milk Control Board, subject to Cabinet approval. This would be possible if, in the Minister's opinion, there were significant financial or operational problems with the Board or if it was in the public interest to do so. The Minister explained that this amendment to *The Milk Control Act, 1992* was included in Bill 31 to provide him with the ability to step in should it be necessary in the future; however he has no concerns with the operation of the Board, and no immediate intention to exercise this power. The Minister also noted that he has the same ability with the poultry marketing boards.

The Minister committed to consultation with all dairy industry stakeholders on all future issues that the Government may wish to discuss, including the ongoing discussions regarding the provincial dairy regulations and provincial dairy lab. The Board is hopeful that these discussions will commence in the very near future, however no timelines have been committed to by the Government.

We will keep you updated in the weeks and months ahead.

QUOTA EXCHANGE

The ninth butterfat Quota Exchange of the 2007-2008 dairy year was conducted on May 15, 2008. The market-clearing price established for the Unused Quota Exchange was **$55.00**. There was no market-clearing price established for the Used Quota Exchange because the prices offered to sell used quota were higher than the prices offered to purchase. The results of the May 2008 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2007-2008 dairy year will be held on June 16, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, June 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchang-

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$55.00**
Kilograms offered to Purchase	**1,500**
Kilograms offered to Sell	**20,647**
Kilograms sold	**1,500**
Number of Producers	
- offered to purchase	**2**
- purchased quota	**2**
- offered to sell	**9**
- sold quota	**4**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
55.00	**4**	**4**	**4,748**	**4,748**	**3,248**	**1,500**	**0**	**2**	**0**
57.00	2	6	1,800	6,548	5,048	1,500	0	2	0
58.00	1	7	12,026	18,574	17,074	1,500	0	2	0
59.00	0	7	0	18,574	17,074	1,500	1,000	2	1
60.00	2	9	2,073	20,647	20,147	500	500	1	1

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$------**
Kilograms offered to Purchase	**13,710**
Kilograms offered to Sell	**31,500**
Kilograms sold	**------**
Number of Producers	**------**
- offered to purchase	**4**
- purchased quota	**0**
- offered to sell	**5**
- sold quota	**0**

USED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
51.51	0	0	0	0	-13,710	13,710	2,000	4	1
52.06	0	0	0	0	-11,710	11,710	4,710	3	1
53.00	0	0	0	0	-7,000	7,000	2,500	2	1
54.00	0	0	0	0	-4,500	4,500	4,500	1	1
55.00	1	1	12,500	12,500	12,500	0	0	0	0
56.00	1	2	5,000	17,500	17,500	0	0	0	0
60.00	1	3	2,000	19,500	19,500	0	0	0	0
64.75	1	4	6,000	25,500	25,500	0	0	0	0
65.00	1	5	6,000	31,500	31,500	0	0	0	0

BUTTERFAT PRODUCTION & COMPONENT PRICING APRIL 2008

Butterfat production for April 2008 totalled approximately 724,084 kilograms. This was an increase of approximately 1.14% over April, 2007 shipments. **For the first nine months of the 2007-2008 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 6,588,981 kilograms. In the first nine months, the province has shipped 98.60% of that amount.** Comparatively, for the same time frame in the 2006-2007 dairy year, the province shipped 98.28%.

WEIGHTED AVERAGE COMPONENT TESTS & PRICES APRIL 2008

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7447	$10.513442
Protein	3.3329	$ 7.513442
Other Solids	5.7186	$ 1.094750

Based on the average component tests for the province, the average price received was $70.6720 per hectolitre. **The average butterfat price received per kilogram was $18.87.** Over quota (4m) holdings are $1,994,691.22 for the first nine months of the 2007/2008 dairy year.

SASKATCHEWAN MILK POOL RESULTS APRIL 2008

Milk Sale Revenue	$ 13,398,030.36
Western Milk Pool	$ 353,220.72
Dairy Farmers of Canada Skim Off	$ -19,057.34
Plant of Last Resort Service	$ -57,481.84
Total Pool Value	**$ 13,674,711.90**

ACCOUNTING VALUES FOR CLASSES OF MILK MAY 2008

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$63.35	
Class 1b	$5.3000	$63.35	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.3088	$5.4705	$5.4705
Class 3a	$7.3088	$12.7797	$0.8521
Class 3b	$7.3088	$12.5270	$0.8361
Class 4a, 4b, 4d & 4d(i)	$7.3088	$5.0721	$5.0721
Class 4a(i)	$7.3088	$3.0000	$3.0000
Class 4c	$7.3088	$4.3872	$4.3872
Class 4m	$0.00	$0.00	$0.00
Class 5a	$3.0021	$9.0364	$0.1123
Class 5b	$3.0021	$2.3906	$2.3906
Class 5c	$3.6562	$2.3906	$2.3906
Class 5d	**As determined by**	**the CDC**	

CLASS 1 PRICE INCREASE – JUNE 1, 2008

The Alberta Energy and Utilities Board increased the minimum price for Class 1 milk by $0.98 per hl. effective May 15, 2008. The increase was due mainly to hay and dairy feed price increases based on a two month trend analysis. Accordingly, the Saskatchewan Milk Control Board will increase the Class 1 price to producers by $0.98 per hl. effective June 1, 2008.

UNALLOCATED TOTAL PRODUCTION QUOTA PENDING FOR AUGUST 1, 2008 IS ESTIMATED AT 0.66%

Unallocated Total Production Quota Pending is the quota change being projected for the beginning of the new dairy year. This is the result of *pro-rata* quota allocations to producers during the current dairy year.

YEAR END QUOTA CALCULATIONS

Please be aware that all quota increases throughout the 2007-2008 dairy year (permanent and temporary) will be included in the Board's calculations to determine individual producer's 97% minimum quota maintenance requirement at dairy year end. The Board will base its calculations on your individual Total Production Quota in place as of May 30, 2008.

QUOTA SWAPPING – 2007-2008 DAIRY YEAR

A note to producers who are in an over quota situation, the Board is prepared to exempt you from the 15% quota swap maximum. To qualify, you must provide a letter to the Board requesting an exemption.

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for April, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2007-2008 dairy year, the Board will continue to provide these results on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota. If you have any questions, please contact our office.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Quota &/or Cows for Sale

- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.

- Quota for sale. Contact Kevin at (306) 549-2129.

- Approximately 24,000 kilograms of butterfat. Holstein cows, heifers, calves and bulls. Take possession August 1, 2008. Contact Clara Ollenberger at (306) 753-2747 or cell phone (306) 753-7767.

- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.

- Quota for sale with a transfer date of August 1, 2008 (approximately 21,033 kilograms) Contact Melanie @ (306) 764-7865.

- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980

- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.

- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997

- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.

Want to Swap in Quota

- Henry Wiebe would like to swap in quota. Phone (306) 225-4681.

- Ponteix Colony would like to swap in quota. Contact Jerry at (306) 625-7551.

- Ford Dairy Farms would like to swap in quota. Contact Margaret at (306) 782-7240

- Keith Thoner would like to swap in quota. Phone (306) 259-2171

- Robert Coghill would like to swap in quota. Phone (306) 699-7237

- Levi at Bench Colony would like to swap in quota. Phone (306) 297-3270

- Hodgeville Colony would like to swap in quota. Contact Paul at (306) 677-2232 Extension 6315

- Earview Colony would like to swap in quota. Contact David at (306) 672-3516

Want to Swap out Quota

- Holstein Haven would like to swap out quota. Contact Bob at (306) 228-2921 or (306) 228-8598
- Wheatland Colony would like to swap out quota. Phone (306) 587-2458 Ext. 109
- Jim Gorrill would like to swap out quota. Phone (306) 725-4828.
- Kevin Flath would like to swap out quota. Phone (306) 549-2129

Wanted to purchase

- Holstein bull calves. Will pick up on-farm. Call for competitive pricing. Call Dan at (403) 635-1415.

Miscellaneous For Sale

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK
- DeLaval I.D. Transponders, Neck belts, neck belt numbers. Call Chad at (306) 598-2054.
- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
Joseph Guenther	Dairy producer – Phone (306) 239-4689
David Finlay	Dairy producer – Phone (306) 493-2403
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

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